

Prospective Payment System (PPS)

Program Review and Evaluation
Health Budgets and Financial
Policy

OASD(Health Affairs)

Data Quality

May 2009



Resourcing the Direct Care System for Value

The Direct Care System (DCS) is the heart of military medicine and provides:

- a ready to deploy medical capability
- a medically ready force
- delivery of the health benefit to warriors and their families

..but at the appropriate value?

Outputs (Activities) + Outcomes (Readiness, Population Health) + Customer satisfaction

Resources (MilPers, appropriations, reimbursements)



Creating Breakthrough Performance in the MHS



Each Element is essential.



Performance Linkage- P4P

Creating the Links between the Strategic Plan and Measures

- Reflect strategic direction and vision
- Operationalizes aspirations
- Promotes benchmarking
- Inspire Change
- Defines success

- Process Improvement

- Analyzes Process and identifies opportunities
- Changes operations and culture
- Institutionalizes the result

- Budget Incentives

- Align resources
- Emphasizes importance and rewards improvement
- Makes it “real”
- The American Way



Agenda

- Current PPS Production and Valuation
- Expansion of PPS workload reporting
- *CMS RVU Review/Adjustment (?)*
- Valuing Quality
- Future Enhancement of PPS
 - MENBA
 - Additional Reporting
- Issues for Consideration in Data Quality



Current PPS Workload

- Inpatient – MEPRS A Workcenters
 - Non-Mental Health - Relative Weighted Products (RWPs)
 - Mental Health - Bed Days
- Outpatient – MEPRS B Workcenters
 - Simple (Work) Relative Value Units (RVUs)
 - Excluding Generic Providers
 - A generic provider is outpatient workload where provider specialty is coded as the clinic rather than the specialty, e.g. Cardiology Clinic vs. Cardiologist.
 - Issue raised two years ago
 - Declined from over 10% to less than 1%



PPS Value of Care

- Value of MTF Workload
 - Fee for Service rate for workload produced
- Rates based on price at which care can be purchased
 - TMAC rates
 - Not MTF costs
- Computed at MTF level but allocated to services
 - Rolled up to Services



TMAC versus PPS

Civilian

- Inpatient
 - Institutional
 - Hospital (DRG)
 - Including ancillaries, pharmacy
 - Professional (RVU)
 - Surgeon
 - Anesthesiologist
 - Rounds
 - Consultants
- Outpatient
 - Professional (RVU)
 - Institutional (APC)
- Outpatient Ancillary (RVU)

Direct Care PPS

- Inpatient (RWP, i.e. DRG)
 - All Institutional and Professional
 - Hospital
 - Including ancillaries, pharmacy
 - Surgeon
 - Anesthesiologist
 - Internist
 - Consultants
- Outpatient (RVU)
 - Professional
 - No institutional (Pass Thru)
 - Except Emergency Room
- Outpatient Ancillary (Pass Thru)
 - None



Valuing MHS Workload - Fee for Service Rates (FY09)

- Value per RWP - \$8,797 (MEPRS A codes)*
 - Average amount allowed
 - Including institutional and professional fees
 - Excluding MH/SA
 - Adjusted for local Wage index and Indirect Medical Education Adjustment (IME)

*Case Mix Index adjustment FY08/09 +1.38% (Rate change \$8,677)
- Value per Mental Health Beddays - \$753 (MEPRS A codes)
 - Average amount allowed
 - Including institutional and professional fees
 - Adjusted for local Wage index and Indirect Medical Education Adjustment (IME)
- Value per RVU - \$90 (MEPRS B codes)
 - Average amount allowed
 - Segmented by Specialty
 - Excluding Ancillary, Home Health, Facility Charges (except ER)
 - Adjusted for local Wage index



FY 2009 PPS Budget Adjustment

- Military Personnel
 - PPS value includes work produced with military personnel
 - However, MilPers is not in the DHP in year of execution

O&M Factor	FY 09
Army	68%
Navy	49%
AF	37%
Total	54%

- Adjustment =
O&M Adjustment *
(Difference between Business Plan/Most Recent 12 Months
Value and FY07 Workload Valued at FY2009 Rates)
- Note: Changed Baseline Year from 2003 to 2007



FY08

Mid Year Summary

	RVUs			RWP's			Mental Health Days		
	FY07	Rolling 12	FY08 Plan	FY07	Rolling 12	FY08 Plan	FY07	Rolling 12	FY08 Plan
Army	13,047,453	13,218,363	12,919,673	105,703	105,970	104,377	34,160	34,300	31,758
Navy	7,879,604	7,883,785	7,969,477	57,955	57,021	59,330	19,437	19,854	20,869
Air Force	6,816,782	6,737,692	6,404,627	34,432	34,294	32,783	4,436	4,528	5,386
MHS	27,743,839	27,839,841	27,293,777	198,090	197,285	196,491	58,033	58,682	58,013

PPS Earnings					
FY07		Rolling 12		FY08 Plan	
2,082,069,496	Green	2,102,564,075	Green	2,045,807,542	
1,217,773,525	Yellow	1,209,393,558	Red	1,257,946,469	
881,470,626	Yellow	875,486,131	Green	823,898,809	
4,181,313,647	Green	4,187,443,763	Green	4,127,652,819	

	Millions	
Adjustment	Rolling 12	Plan
Army	20.1	(36.3)
Navy	(9.4)	40.2
Air Force	(6.2)	(57.6)
Summary	4.5	(53.7)

FY08 Rates	FY07 and FY08 Plan Earnings are color coded with Green representing Rolling 12 \geq 03/plan, yellow within 2% below, and Red $>$ 2% below.		
Mid-year Report	Rolling 12 month is current through 3rd month of FY08 for inpatient, and 5th month of FY08 for outpatient		

FY05 (Millions \$)

Adjustment	Plan	Mid Year Total
Army	30.6	8.4
Navy	2.2	4.1
Air Force	(2.5)	(4.4)
Total	30.3	8.1

FY06 (Millions \$)

Adjustment	Plan	Mid Year
Army	15.4	2.5
Navy	17.3	2.9
Air Force	(16.4)	(20.0)
Total	16.3	(20.4)

FY07 (Millions \$)

	Adjustment in Millions
Army	29.2
Navy	(17.1)
Air Force	(20.9)
Total	(8.8)



Expansion of PPS for External Workload

- Valuation to began in FY2008
 - All reporting will be considered “new” workload
 - Standardized reporting method across Services
- External Partnerships (5400) and VA facilities (2000)
 - Differentiate Professional Service vs Facility Charges
- Payment based on Total RVU
 - Work + Facility Practice
 - Standard Rate similar to CMS
 - Not Product Line specific
 - Professional Providers only
 - MEPRS A & B codes only
- Still must solve DoD Circuit Rider workload reporting



Value of External Workload

Sum of Total \$			FY	FM				
			2008					
Service	Tmt DMIS	Tmt DMIS ID Name	1	2	3	4	5	
A	2001	AUGUSTA VET ADMIN MED CTR	4,350	3,593	3,052	2,410		
	5434	SAMARITAN MEDICAL CENTER	81,363	72,418	70,247	60,728		
	5435	CARTHAGE AREA HOSPITAL	841	388	478			
A Total			86,554	76,399	73,777	63,138		
F	5467	TAMPA GEN HOSPITAL (CIVILIAN)	17,054	19,060	7,524			
	5468	TAMPA BAY SURG CENTER-CIVILIAN	3,009	6,520	3,009			
	5469	DELL E. WEBB MEM HOSP-CIVILIAN	5,081	8,336	2,741	4,378		
	5470	BANNER ESTRELLA MED CNTR-CIVLN	21,490	18,900	14,780	19,516		
F Total			46,633	52,815	28,053	23,894		
N	2002	NORTH CHICAGO VETERANS MED CTR	41,795	53,969	32,007	7,836		
	5401	NEWPORT HOSPITAL (CIVILIAN)	32,793	19,789	28,216	19,231		
	5402	TRIDENT REGIONAL MEDICAL CTR	77,897	75,629	60,325	45,729		
	5405	SPOHN HC SYS-CORPUS CHRISTI	32,476	29,321	25,244	43,282	2,422	
	5407	BEAUFORT MEMORIAL HOSPITAL	23,740	33,675	36,463	2,577		
	5408	ANNE ARUNDEL MEDICAL CENTER (CIVILIAN)	13,140	8,153	6,359			
	5410	SACRED HEART HOSPITAL	397	397	79			
N Total			222,239	220,933	188,694	118,655	2,422	
Grand Total			355,426	350,148	290,524	205,687	2,422	



CMS RVU Review/Adjustment

- 5 year review of RVUs
- For CY07 significant change in work RVUs
- Adjusted to emphasize Patient Doctor interaction
- Result in higher RVU for most E&M codes
- Did not dramatically reduce codes for specialists
- However, must have balanced budget
 - Budget Neutrality Factor reduction
 - RVUs multiplied by 0.8994



Impact of Work RVU change on MHS

CY06 MEPRS-B SADR freqs pulled 2/2/2007 from MDR by PPS/BP Product Line
Work RVUs based on MHS Master RVU tables for CY06 and CY07

Data				
PPS/BP Product Line	Sum of CPT COUNT*	Sum of CY06 Work RVU*Count	Sum of CY07 Work RVU* Count	% Change from CY06
DERM	531,795	382,860	410,653	7.3%
ENT	402,139	382,329	420,762	10.1%
ER	3,092,846	1,710,620	2,089,619	22.2%
IM SUB	3,400,834	1,693,588	1,815,849	7.2%
MH	3,701,697	2,787,843	2,831,958	1.6%
OB	2,976,090	1,734,160	1,958,748	13.0%
OPTOM	4,482,029	2,215,681	2,228,524	0.6%
ORTHO	9,027,337	3,221,644	3,360,728	4.3%
OTHER	2,657,843	945,825	989,846	4.7%
PC	21,306,231	11,319,846	13,311,193	17.6%
SURG	529,735	492,782	532,388	8.0%
SURG SUB	494,374	413,021	459,713	11.3%
OTH	4,049	3,445	3,934	14.2%
Grand Total	52,606,999	27,303,646	30,413,915	11.4%

*Includes only CPT codes appearing in both CY06 and CY07 Master RVU tables



Issue of Budget Neutrality Factor

CY06 MEPRS-B SADR freqs pulled 2/2/2007 from MDR by PPS/BP Product Line
Work RVUs based on MHS Master RVU tables for CY06 and CY07

	Data				CMS Adj factor = 0.8994	
PPS/BP Product Line	Sum of CPT COUNT*	Sum of CY06 Work RVU*Count	Sum of CY07 Work RVU* Count	% Change from CY06	CY07 Adjusted	% Change from CY06
DERM	531,795	382,860	410,653	7.3%	369,341	-3.5%
ENT	402,139	382,329	420,762	10.1%	378,434	-1.0%
ER	3,092,846	1,710,620	2,089,619	22.2%	1,879,403	9.9%
IM SUB	3,400,834	1,693,588	1,815,849	7.2%	1,633,174	-3.6%
MH	3,701,697	2,787,843	2,831,958	1.6%	2,547,063	-8.6%
OB	2,976,090	1,734,160	1,958,748	13.0%	1,761,698	1.6%
OPTOM	4,482,029	2,215,681	2,228,524	0.6%	2,004,334	-9.5%
ORTHO	9,027,337	3,221,644	3,360,728	4.3%	3,022,639	-6.2%
OTHER	2,657,843	945,825	989,846	4.7%	890,268	-5.9%
PC	21,306,231	11,319,846	13,311,193	17.6%	11,972,087	5.8%
SURG	529,735	492,782	532,388	8.0%	478,830	-2.8%
SURG SUB	494,374	413,021	459,713	11.3%	413,466	0.1%
OTH	4,049	3,445	3,934	14.2%	3,538	2.7%
Grand Total	52,606,999	27,303,646	30,413,915	11.4%	27,354,275	0.2%

*Includes only CPT codes appearing in both CY06 and CY07 Master RVU tables



Expanding Pay for Performance to Match the Vision

- Premise: MHS Value is predicated on three elements
 - Outputs - the volume of work that we accomplish, measured currently by RVUs and RWPs
 - Incomplete
 - Outcomes - often measured via factors such as HEDIS/JCAHO
 - Customer Satisfaction
- Our focus to date has been centered on productivity (Outputs) as the MHS source of value for the Department.
- Goal: Create a financial mechanism for the direct care system that will emphasize value measures for outcomes and customer satisfaction in a balanced fashion with outputs



Domains

- Quality
 - HEDIS Preventive Services
 - ORYX
- Satisfaction
 - Health Plan
 - Health Care
 - Doctor's Communication
- Access
 - Getting Needed Care
 - PCM appointment when available
 - 3rd next appointment (still under development)



Recommendations for FY09

- Measures for the most part are the correct ones
 - Some ORYX measures adjusted
 - % seen when PCM available added
- Payments should be more balanced
 - Technical Quality, Satisfaction, Access
 - Closer to 1/3, 1/3, 1/3
- Payments should be higher for process/actionable measures vice outcome measures
- Some payment for improvement below 50th percentile should be incorporated



HEDIS Preventive Services

- Adherence to HEDIS Guidelines
 - Breast Cancer Screening
 - Cervical Cancer Screening
 - Colorectal Screening
 - Diabetes A1c Screen
 - Asthma Meds
 - Diabetes A1c<9
 - Diabetes LDL<100
- Targets: 50th and 90th civilian percentiles
- Rewards:
 - \$5/\$10 for achieving civilian standards
 - \$2.50 for closing gap by 10% of 90th percentile goal if not at 50th percentile level
- Relevant enrollees and (35% Baseline Value)



ORYX

- Adherence to clinical practice guidelines
 - AMI - Aspirin at discharge
 - AMI - Beta blocker at discharge
 - AMI2 - Aspirin
 - CAC - HMPC Document
 - HF - Discharge
 - PN - antibiotic received
 - PN - Vaccination
 - SCIP - Inf1a Antibiotic overall
 - SCIP - Inf3A Antibiotic dc
- Target: ORYX benchmark
- Reward: \$400 per Relevant patients
 - Due to small sample size, there are no improvement rewards



Health Plan

- % Satisfied (8,9,10) with Health Plan
- Internal DoD 50th, Civilian average
- Reward:
 - \$0.20-0.25 Improvement/\$0.40-0.50
50th percentile/\$1.00-1.25 Civ Avg
- Relevant population is Average
monthly Prime Enrollees



Health Care

- % Satisfied (8,9,10) with Health Care
- Internal DoD 50th, 90th percentile, Civilian average
- Reward
 - \$0.25 Improvement/\$0.50 50th percentile/\$1.50 90th percentile/\$2.50 Civ Avg
- Total MEPRS B Visits



Doctor's Communication

- % Response falling in best category (Always) with Doctor's Communication*
- Internal DoD 50th, 90th percentile, Civilian average
- Reward:
 - \$0.50 Improvement/\$1.00 50th percentile/
\$3.00 90th percentile/\$5.00 Civ Avg
 - HA/Army/AF
- Total MEPRS B Visits

**In the last 12 months, how often did doctors or other health providers listen carefully to you?*

In the last 12 months, how often did doctors or other health providers explain things in a way you could understand?

In the last 12 months, how often did doctors or other health providers show respect for what you had to say?

In the last 12 months, how often did doctors or other health providers spend enough time with you?



Access to Needed Care

- % Response falling in best category (Not a Problem) with Access to Needed Care*
- Internal DoD 50th, 90th percentile, Civilian average
- Reward:
 - \$0.25-0.50 Improvement/\$0.50-1.00 50th percentile/\$1.50-3.00 90th percentile/\$2.50-5.00 Civ Avg
- Relevant population is Average monthly Prime Enrollee

**Since you joined your health plan, how much of a problem, if any, was it to get a personal doctor or nurse you are happy with?*

In the last 12 months, how much of a problem, if any, was it to see a specialist that you needed to see?

In the last 12 months, how much of a problem, if any, was it to get the care, tests or treatment you or a doctor believed necessary?

In the last 12 months, did you need approval from your health plan for any care, tests, or treatment?

In the last 12 months, how much of a problem, if any, were delays in health care while you waited for approval from your health plan?

PCM appointment when available

- % of appointments when PCM is available that are with the enrollees PCM
- Target: FY09 50% and 70%, with movement to 55%/80% next year, and 60%/90% following year
- Reward:
 - \$5.00-10.00 achieving 50% /\$10.00-20.00 achieving 70%
 - Since this is first year reporting this metric, there is no improvement reward
- Primary Care Visits



FY08 Summary

	HEDIS	ORYX	Plan	Care	Comm	Access	Total
Army	\$ 2,092	\$ 558	\$ 5,400	\$ 4,621	\$ 5,795	\$ 2,612	\$ 21,078
Air Force	\$ 1,230	\$ 517	\$ 6,230	\$ 2,062	\$ 4,481	\$ 4,458	\$ 18,978
Navy	\$ 1,563	\$ 710	\$ 2,038	\$ 4,154	\$ 4,795	\$ 1,278	\$ 14,538
Total	\$ 4,885	\$ 1,785	\$ 13,668	\$ 10,837	\$ 15,071	\$ 8,348	\$ 54,594



FY09 Estimated P4P Payment

Measures	Value Range
HEDIS	\$18M-\$25M
ORYX	\$1M
Health Plan	\$8M-\$10M
Health Care	\$5M
Communication	\$12M
Needed Care	\$7M-\$14M
PCM Appt	\$4M-\$8M
Total	\$55M-\$75M



Mission Essential Non-Benefit Activities (MENBA)

- **QDR: “Capture the quantity, value, and expense of readiness and military-unique services provided by MHS activities”**

- ✓ Identify and List all Mission Essential/Non-Benefit Activities (MENBA) performed in the MHS
- ✓ Classify & develop Taxonomy for activities
 - Measure volume of activities
 - Develop “value”
 - Incorporate into budget process



MENBA Current Study

**Occupational
Health/Public
Health**

**Health
Promotion
& Wellness**

**Military
Unique
Clinical**

**Military
Unique
Non-Clinical**

**Readiness,
Plans, Ops &
Deployment**

**GME
&
GDE**

**Military
Unique
Training**

127 Activity Groups

**Wide spread/
Universal**

**Chance of
Success**

Importance

**Resource
Utilization**

Volume

**4 Activity Groups
for current study**

**Disability
Evaluation System
("Boards")**

**Hearing Conservation/
Hearing Program**

**Patient
Movement**

**Health
Education**



Next Steps – Longer Term

- Expand RBRVS to cover as many of the MENBA activities as possible
- Incorporate MENBA RBRVS into budget process
 - Build into Business Plans
 - Justify/adjust MTF budgets based on value of activities produced



Further Improvements

- Total RVUs
- Inpatient Professional
- Ancillary
- Pharmacy
- Dental



Issues to Consider

- Incorporate Inpatient Professional Services
 - Professional services should be coded this year
 - UBU has information in guidance
 - Initial focus External partnerships
 - PPS Payment begins FY2008
 - Eventually need to expand to all inpatient care
 - Funding adjustment will begin RWP rate decrease for rounds
 - Approximately 80% complete (20% lost value)
 - Began 1 Oct 2002
- Accurate coding
 - Ensure proper coding for inpatient services are captured in MEPRS A codes
 - Need to ensure coding matches documentation
 - Eventually audit adjustments to claims
 - All MTFs need to Ensure Timely data submission
- Non Provider specialty codes (Generic Clinics)
 - Last year workload accepted was FY06
 - FY07/08 no workload credit
- Treatment of Enrollees
 - Quality payments will rely on accurate identification of Enrollees
 - Documentation of treatment for Preventive Services

Questions?



Back Up Slides



Inflation Rates

- CMS proposed a rate decrease of -5.1% for Professional Services for Calendar Year (CY) 2007.
- Congressional action stopped decrease and added 1.5% bonus for voluntary quality reporting.
- For Inpatient Institutional, CMS proposed and Congress accepted an increase rate of 3.4%
- Decision: 1.5% inflation rate for Professional Services and 3.4% inflation rate for Inpatient Institutional



MENBA Pilot Project

- **QDR: “Capture the quantity, value, and expense of readiness and military-unique services provided by MHS activities”**
- Identify and List all Mission Essential/Non-Benefit Activities (MENBA) performed in the MHS
- On-site visits
 - 6 MTFs (1 small & 1 Large from each Service)
 - MTF Participation:
 - Coordinate Schedule
 - Provide limited Documents (e.g., Committees List, Additional Duties Rosters, etc.)
 - Be Part of the Team, Part of the Project!
- Work with MENBA WG to “sort out”, classify & develop Taxonomy for activities



Project Update

- MENBA WG has met multiple times
- Several meetings with Altarum & Project Lead
- All Services have Identified MTFs & POCs
- All MTFs are done
 - Seymour Johnson AFB, Travis AFB, Pendleton MCB, Ft Benning, Ft Hood, NNMC Bethesda
- Specialty working groups reviewed activities
 - First meetings in April/May
 - Reviewed information to see what activities should be MENBA
 - Future work will included how to value and report



Working MENBA List (Working Activity Classes*)

IMR/DNBI Prevention/Occupational Health	Approved NonBenefit Clinical Activity	Military Unique Clinical Activity	Military Unique NonClinical Activity	Deployment Readiness	Military Unique Training	GME/GDE
Base agency support	Health Prom (HP)/Adm	Aeroevac	Activity Support	Administration	Commanders Call	GDE
Base Meetings	HP/Classes	Ambulance Support	Additional Duties	Base Support	Communication	GME/GDE Adm
Deployment/Preparation	HP/Communication	Appointments	Agency support	Communications	Conference	GME/Prog Directors
Deployment/During	HP/Evaluation	Backfill	Ceremony	Deployment/Adm	Exercise Trg	GME/Residents
Deployment/After	HP/AD Fitness	Blood Program	Commander	Deployment/Mobility	First Term Enlisted	GME/Med Students
Drug screening	HP/HAWC	Boards	Community	Deployment/Response	Fitness	GME/Teaching Staff
First Aid	HP/Health Fairs	Call	Compliance Program	Exercises	Job Specific	
Immunizations	HP/Health Month	Clinical Investigations	Decedent	Homeland Security	Leadership Dev	
IMR program	HP/Pop Health	Care	Ethics	Humanitarian Mission	Pop Health	
JUMPSTART	HP/Screening	Clinical Networks	Food Service	Logistics/WRM	Readiness Trg/CBRNE	
Medical Right Start	Vision Correction	Inspections	Legal	NDMS	Readiness Trg/Core Specific	
Occup Health/Adm		Dental	Logistics	Plans	Readiness Trg/Envi	
Occup Health/HazMat		Diagnostics & Therapeutics	Information Services	Team	Readiness Trg/Ordinance	
Occup Health/Hearing		Family Advocacy	MOU/MOA	Threat	Readiness Trg/Rescue	
Occup Health/Safety		Flight Medicine/ Line Consultation	Orderly room		Readiness Trg/Rules	
Occup Health/Screening		Flight Medicine/ Operational Med	Patient Adm TRICARE		Readiness Trg/Terrorism	
Occup Health/Radiation		Flight Medicine/ Deployment Medicine	Plant Management		Readiness Trg/Unit	
Occup Health/Respiratory		Flight Medicine/ Disaster Response	Protocol		Reservists	
Occup Health/Water		Hyperbaric Medicine	Public Affairs		Safety	
Physiological Training		Life Skills	Resource Management			
Public/Env Health/Adm		Medical Management	Vehicle Program			
Public/Env Health/Emp Health		Nursing				
Public/Env Health/HIV		Patient relations				
Public/Env Health/Screening		Pharmacy				
Public/Env Health/Surveillance		PRP				
Public/Env Health/STD		Profiles				
Public/Env Health/TB		QA/Credentials				
Veterinary Prog/Animal		Screening				
Veterinary Prog/Food		Supervision				
Veterinary Prog/Vector		Support				
		Training				
		Volunteers				
Total 483	Total 115	Total 369	Total 369	Total 184	Total 152	Total 110

*As of 5 Feb 2007



MHS Impact

- M2 Database
 - Simple Work RVU will show new RVUs
 - Resulting in approximately 11% overall increase
 - PPS Work RVU not adjusted for neutrality factor
 - CY07 RVUs multiplied by 0.8994 in reconciliation
 - Will result in mixed year for FY07
 - New RVU measure for comparison across years
 - Will allow for comparison of same Work RVU across multiple years
 - Needed for Metrics and other trending purposes
 - Will be accomplished during Summer Retro fit
 - Likely will take place of one of the current RVU measures



Ancillary/Dental

- Ancillary
 - Where are we now
 - Ancillary data in MDR
 - Ancillary tables in M2
 - How approach
 - Reviewing data
 - Apply weight
 - Determine payment method
- Dental
 - Starting to collect data in central systems
 - Need to review data for consistency across Services
 - Weights likely from CMS/ADA
 - Payments still need to be determined



Pharmacy

- Pharmacy expenses currently not covered under the PPS
- Goal: PPS for pharmacy
- FY08 pharmacy direct care mechanism would be shadowed
- Payment would be the ingredient cost of the drugs plus a dispensing fee per prescription.
 - Initially this will just be dispensing fee
 - Ingredient cost waiting on new system
- In FY09, if feasible, we would adjust the direct care pharmacy budget directly in proportion to the pharmaceuticals provided by MTFs.



Industry Standard Workload

- Inpatient/Outpatient vs. Institutional/Professional
- Industry Based Workload Alignment (IBWA)
 - Rounds capture 2yrs old (appx 80% complete)
 - Full Inpatient professional workload capture began last year
 - Enhanced SADR (Standard Provider ID plus Modifiers)
 - Would allow PPS value to follow more closely TMAC
 - Would allow credit for professional work done away from facility
 - External Resource Sharing
 - Circuit Riders
 - Joint Facilities
- Full RVU vice Simple Work RVU



Utilization Management/Capitation

- Utilization Management (UM) is used to measure improvement in medical care efficiency and to control costs
- Idea: Give a bonus to an MTF if their UM metric is below the “target” and reduce an MTF revenue if the UM metric is above the target.
- Metric will be based on volume of inpatient and outpatient care provided to MTF enrollees (purchased or direct) adjusted for demographics
- Potential UM target could be based on the PMPM target of staying below a 7% cost growth.



Moving from budget to PPS workload

- Adjust target based on dollar budget adjustment
 - 807700 O&M plus MILPERS adjustments
 - Must take into account that PPS is not complete
- Apply percentage ratio
 - Program was adjusted based on MEPRS based full cost and claims of providing care to AD and ADFM
 - Use total non-pharmacy MEPRS cost as denominator and PPS value as numerator



DMISID	Service	Name	Facility > Digit ZIP Code	CMS Carrier	Work GPCI	PE GPCI
5401	N	NEWPORT HOSPITAL (CIVILIAN)	02840	00524	1.029	1.040
5402	N	TRIDENT REGIONAL MEDICAL CTR	29406	00880	1.000	0.899
5403	N	PORTSMOUTH GENERAL HOSPITAL	23704	00904	1.000	0.941
5404	N	WILLIAM W BACKUS HOSPITAL	06360	00591	1.038	1.179
5405	N	SPOHN HC SYS-CORPUS CHRISTI	78414	00900	1.000	1.016
5406	N	LAWRENCE AND MEMORIAL HOSPITAL	06320	00591	1.038	1.179
5407	N	BEAUFORT MEMORIAL HOSPITAL	29902	00880	1.000	0.899
5408	N	AAMC	21401	00901	1.012	1.069
5410	N	NAVY-SACRED HEART HOSP-CIVLN	32512	00590	1.000	1.004
5433	A	MEDICAL COLLEGE OF GEORGIA	30912	00511	1.009	1.053
5434	A	SAMARITAN MEDICAL CENTER	13601	00801	1.000	0.919
5435	A	CARTHAGE AREA HOSPITAL	13619	00801	1.000	0.919
5436	A	FAIRBANKS MEMORIAL HOSPITAL	99701	00831	1.017	1.098
5437	A	SIERRA VISTA REGIONAL HLTH CTR	85635	03102	1.000	0.975
5438	A	STRAUB CLINIC & HOSPITAL	96813	00833	1.001	1.137
5439	A	QUEEN'S MEDICAL CENTER	96813	00833	1.001	1.137
5440	A	KAPIOLANI MEDICAL CENTER	96826	00833	1.001	1.137
5441	A	KAISER MEDICAL CENTER	96819	00833	1.001	1.137
5442	A	HEALTHSOUTH SURGICARE HAWAII	96813	00833	1.001	1.137
5467	F	TAMPA GEN HOSPITAL (CIVILIAN)	33606	00590	1.000	1.004
5468	F	TAMPA BAY SURG CENTER-CIVILIAN	33618	00590	1.000	1.004
5469	F	DELL E. WEBB MEM HOSP-CIVILIAN	85375	03102	1.000	0.975
5470	F	BANNER ESTRELLA MED CNTR-CIVLN	85037	03102	1.000	0.975
5471	F	BANNER ESTRELLA SURG CENTER LP	85037	03102	1.000	0.975
5472	F	BAYHEALTH MEDCEN-KENT GENERAL	19901	00902	1.011	1.033
5473	F	MIDWEST REGIONAL MEDCEN-CIVLN	73110	00522	1.000	0.853
5474	F	CHILDREN'S MEDCEN DAYTON-CIVLN	45404	00883	1.000	0.930
5475	F	FT WALTON BEACH MEDCEN-CIVLN	32542	00590	1.000	1.004
5476	F	USAF-GOOD SAMARITAN HOSP-CIVLN	45406	00883	1.000	0.930
5477	F	GREENE MEMORIAL HOSP-CIVILIAN	45385	00883	1.000	0.930
5478	F	MIAMI VALLEY HOSP-CIVILIAN	45409	00883	1.000	0.930
5479	F	USAF-SACRED HEART HOSP-CIVLN	32504	00590	1.000	1.004
5480	F	VALLEY BEHAVIORAL-DAYTON CIVLN	45420	00883	1.000	0.930
5481	F	KETTERING MEDCEN-CIVILIAN	45429	00883	1.000	0.930
5482	F	ST JOSEPH'S HOSP-TUCSON-CIVLN	85711	03102	1.000	0.975
5483	F	TUCSON SURG CENTER (CIVILIAN)	85712	03102	1.000	0.975
5484	F	PREMIER SURG CNTR-TUCSON-CIVLN	85711	03102	1.000	0.975
5485	F	UNIV MEDCEN SOUTH NEVADA-CIVLN	89102	00834	1.002	1.036
5486	F	SUNRISE HOSP & MED CNTR-CIVLN	89109	00834	1.002	1.036
5487	F	GERALD CHAMPION REG MED CENTER	88310	00521	1.000	0.888
5488	F	CREIGHTON UNIV MED CNTR-CIVLN	68131	00655	1.000	0.882
5489	F	MIDLANDS HOSPITAL (CIVILIAN)	68046	00655	1.000	0.882
5490	F	NEBRASKA MED CENTER (CIVILIAN)	68198	00655	1.000	0.882
5491	F	CHRISTUS SCHUMPERT-ST MARY	71101	00528	1.000	0.995
5492	F	CHRISTUS SCHUMPERT H'LND-CIVLN	71105	00528	1.000	0.995
5493	F	JACKSON COUNTY MEM HOSP-CIVLN	73521	00522	1.000	0.853
5494	F	UNITED REG'L HLTH CARE SYS-CIV	76301	00900	1.000	1.016
5495	F	KELL WEST REGIONAL HOSP-CIVLN	76310	00900	1.000	1.016
5496	F	NIX MEDICAL CENTER (CIVILIAN)	78205	00900	1.000	1.016
5497	F	ST. ELIZABETH'S HOSP-CIVILIAN	62220	00952	1.000	0.929
5498	F	CHILDREN'S HOSP OAKLAND-CIVLN	94609	31140	1.034	1.304
2001	A	AUGUSTA VET ADMIN MED CTR	30912	00511	1.009	1.053
2002	N	NORTH CHICAGO VETERANS MED CTR	60064	00952	1.000	0.929
5443	A	NORTHEAST BAPTIST HOSPITAL	78217	00900	1.000	1.016



IME Factors

DMIS	Name	FY02	FY03	FY04	FY05	FY06	FY07	FY08
0014	DAVID GRANT	1.4141	1.3765	1.5737	1.5996	1.6313	1.5676	1.4778
0024	PENDLETON	1.2895	1.1860	1.1681	1.1848	1.1828	1.1739	1.1446
0029	SAN DIEGO	1.6415	1.5067	1.5067	1.5173	1.4929	1.4588	1.4339
0037	WALTER REED	1.5849	1.5175	1.5265	1.5523	1.5368	1.5824	1.5351
0038	PENSACOLA	1.2692	1.2269	1.2269	1.2302	1.1938	1.1713	1.1972
0039	JACKSONVILLE	1.3484	1.2954	1.2911	1.2944	1.2866	1.2669	1.2437
0042	EGLIN	1.2544	1.2801	1.3120	1.3202	1.2622	1.1859	1.2012
0047	EISENHOWER	1.2772	1.2216	1.2208	1.2318	1.2096	1.2352	1.2585
0048	MARTIN	1.2230	1.1733	1.1462	1.1547	1.1477	1.1422	1.1451
0052	TRIPLER	1.3792	1.3249	1.3319	1.3482	1.3987	1.3813	1.4477
0055	SCOTT	1.3377	1.2983	1.3119	1.3034	1.2689	1.2554	
0066	MALCOLM GROW	1.3646	1.3306	1.3898	1.4492	1.4366	1.4199	1.4334
0067	BETHESDA	1.6914	1.5430	1.5413	1.4705	1.4139	1.3984	1.3598
0073	KEESLER	1.4844	1.3613	1.2533	1.4352	1.4806		
0078	EHRLING BERGQUIST	1.3313	1.3286	1.3961	1.5929	1.3220		
0086	KELLER	1.0114	1.0309	1.0417	1.0398	1.0394	1.0372	1.0379
0089	WOMACK	1.1396	1.1176	1.1254	1.1259	1.1187	1.1460	1.1524
0091	LEJEUNE	0.0000	0.0000	0.0000	1.0621	1.0604	1.0976	1.0637
0095	WRIGHT-PATTERSON	1.6438	1.6523	1.7406	1.6789	1.6153	1.5976	1.5004
0108	WILLIAM BEAUMONT	1.2425	1.1995	1.1971	1.2033	1.2267	1.2041	1.2203
0109	BROOKE	1.5289	1.4459	1.4553	1.4776	1.4565	1.4353	1.3961
0110	DARNALL	1.1182	1.0996	1.0996	1.1035	1.0977	1.0914	1.0992
0117	WILFORD HALL	1.5818	1.4904	1.6006	1.6300	1.5887	1.5694	1.5646
0123	DEWITT	1.2275	1.1883	1.1883	1.1942	1.1920	1.2071	1.2381
0124	PORTSMOUTH	1.3389	1.3066	1.3066	1.3216	1.3126	1.3005	1.2749
0125	MADIGAN	1.6389	1.5363	1.5630	1.5438	1.4788	1.4499	1.4145
0126	BREMERTON	1.1716	1.1701	1.1817	1.1902	1.2009	1.1977	1.1692

Current PPS Measures

- Process
 - Breast Cancer Screening
 - Cervical Cancer Screening
 - Colorectal Screening
 - Diabetes A1c Screen
 - Asthma Meds
- Outcome
 - Diabetes A1c > 9
 - Diabetes LDL < 100

